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P.A.

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ARIZONA CORPORATION COMMISSION
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November 30, 2011

HAND DELIVERED

Commissioner Gary Pierce, Chairman
Commissioner Bob Stump
Commissioner Sandra D. Kennedy
Commissioner Paul Newman
Commissioner Brenda Burns
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

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Re: *Item 3 on the Commission Staff Meeting Agenda for December 1, 2011;*
Docket No. E-01345A-11-0224

Dear Commissioners:

In relation to agenda item 3 on tomorrow's Staff Open Meeting Agenda, the Arizona Investment Council ("AIC") would urge the Commission to consider very carefully the positives associated with settled and not litigated rate cases. As AIC pointed out in its November 2008 White Paper on Streamlining, rating agencies and investment analysts frequently list the litigiousness of a jurisdiction as a key factor in credit ratings and stock purchase or sale recommendations. Accordingly, we stated then and would reiterate now:

The AIC strongly believes that a Commission decision reached as a result of a settlement agreement can protect the public interest while freeing ACC resources for other cases and activities. Accordingly, the possibility of pursuing settlement agreements on rate or other cases should not be rejected out-of-hand.

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The settlement of APS' 2009 case was very well received by analysts and investors with both Moody's and S&P upgrading APS' rating. We hope the Commission will continue to hold open the door to similar positive, constructive agreements for the benefit of the regulatory process, its participants, and, most importantly, the customers.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By:

A handwritten signature in black ink, appearing to read "Michael M. Grant", followed by a horizontal line and the word "for" written in cursive.

Michael M. Grant

MMG/plp
18762-9/2927268

cc: Commissioners
All Parties on Docket Service List

Original and 13 copies filed with Docket
Control this 30th day of November, 2011.